



USAID
FROM THE AMERICAN PEOPLE

PHILIPPINES

ECONOMIC DEVELOPMENT & GOVERNANCE

STRATEGIC OBJECTIVE: PERFORMANCE OF SELECTED GOVERNMENT INSTITUTIONS IMPROVED

BACKGROUND

The performance of the Philippine economy has been disappointing over the last few years, as reflected in flat exports, decreasing foreign investments, and continued pervasive poverty. Tax revenue fell from 17 percent of GDP in 1997 to 12.4 percent in 2002, while public debt has expanded to levels that pose significant risks to macroeconomic stability. The banking sector is under stress, with non-performing loans close to 15 percent of aggregate loan portfolios. Efforts to privatize large publicly owned entities have been stymied by congressional inaction and weak or overworked regulatory bodies. At a broad level, the country's poor economic performance may be attributed to barriers to investment and competition associated with corruption, inappropriate or poorly enforced regulations, and backlogged courts.

USAID through the Office of Economic Development and Governance implements economic growth, democracy, and governance activities. USAID's economic development and governance activities support transparent institutions, better tax collection, efficient and corruption-free customs valuation, reform of government budgeting and procurement at national and local levels, rule of law, improved transparency and public participation in governance, empowered civil society, and fair and transparent electoral process. Other activities include USAID support for smaller programs such as educating the deaf, helping the handicapped, and protecting vulnerable individuals from human trafficking.

Judicial Efficiency Improved -

USAID will continue to assist Philippine partners to help make the legal-judicial system become more transparent and predictable in enforcing laws and policies, and improve access to justice.



Government Policy and Administration Improved -



USAID will continue to assist Philippine partners in strengthening economic governance in key government agencies through increasing accountability and transparency.

Innovations in trade and Investment Programs Promoted -

USAID will continue to assist Philippine partners to facilitate the country's implementation of its WTO commitments, support liberalization of agriculture policy, promote increased competition and private sector involvement in shipping and telecommunications, strengthen financial market



development including development of micro-finance, assist the GRP in the implementation and enforcement of intellectual property rights, and support the removal and/or modification of administrative impediments to business.

Visit our website:

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For more information, please contact:

Robert Wuertz
Chief, Office of Economic
Development and Governance
Tel.: 552-9843
E-mail: rwuertz@usaid.gov